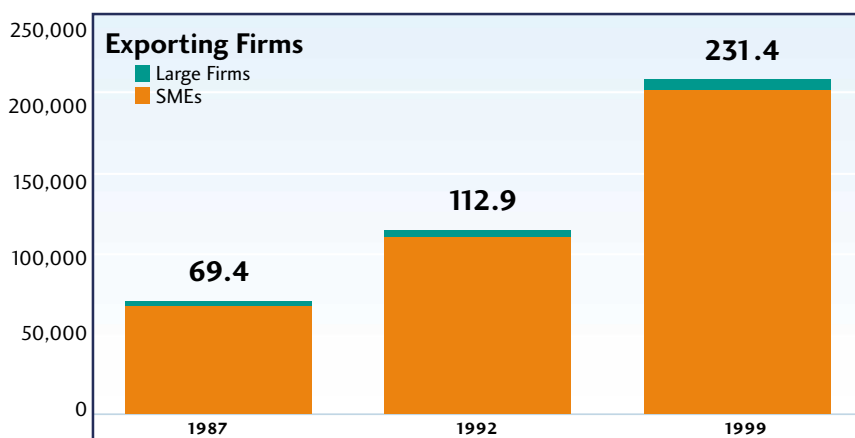


SMALL AND MEDIUM-SIZED ENTERPRISES PLAY AN IMPORTANT ROLE

Office of Trade and Economic Analysis,
Trade Development

THE NUMBER OF U.S. EXPORTING COMPANIES ROSE 233 PERCENT FROM 1987 TO 1999

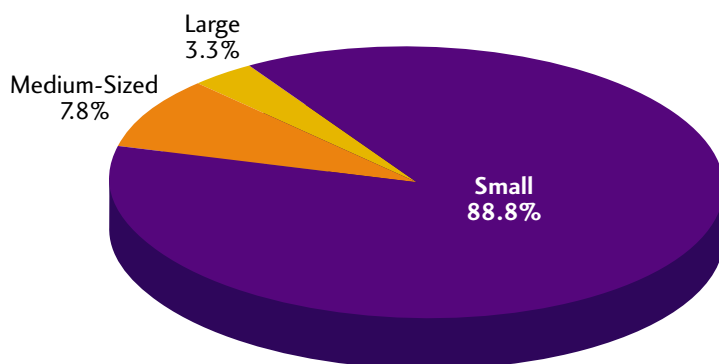


Source: 1992 & 1999 Exporter Database, U.S. Department of Commerce and Small Business Administration.

Small and medium-sized enterprises (companies with fewer than 500 workers) would be among the major beneficiaries of U.S. initiatives to reduce foreign barriers to U.S. exports. The Commerce Department's Exporter Database reveals that in 1999 the number of U.S. firms exporting goods stood at 231,420 — up 105 percent from 112,854 firms in 1992.

SMEs accounted for nearly 98 percent of the 1992-99 growth in the exporter population. The number of SMEs that export merchandise soared from 198,101 in 1998 to 223,681 in 1999.

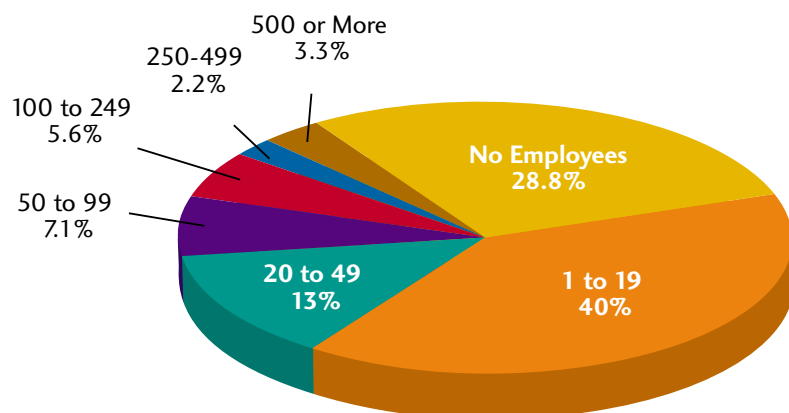
NEARLY 97 PERCENT OF ALL EXPORTING COMPANIES ARE SMALL OR MEDIUM-SIZED



SMEs continued to dominate the exporter population in 1999, accounting for nearly 97 percent of all U.S. exporters. This is up slightly from the 95.7 percent share registered in 1992.

Definitions: Small=less than 100 employees; Medium=100-499 employees; Large=500 or more employees.
Source: 1999 Exporter Database, U.S. Department of Commerce and Small Business Administration.

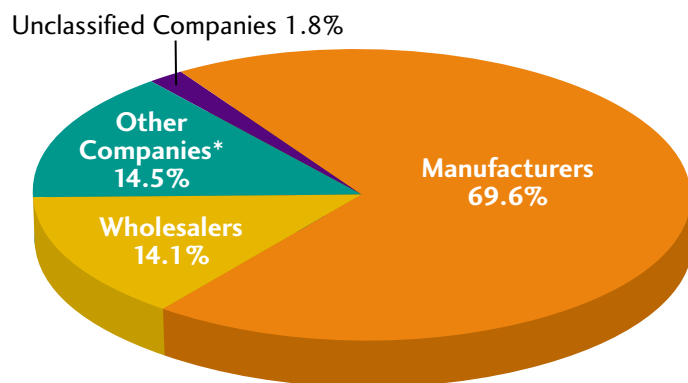
MORE THAN TWO-THIRDS OF U.S. EXPORTERS HAVE FEWER THAN 20 EMPLOYEES



231,420 Companies Exported Goods From the U.S. in 1999
Source: U.S. Department of Commerce, Exporter Data Base.

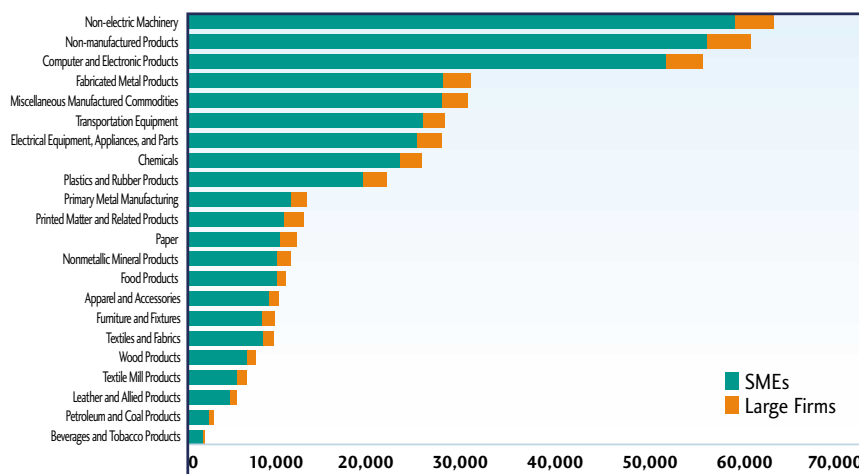
Very small companies — i.e. those with less than 20 employees — made up nearly 70 percent of all U.S. exporting firms in 1999. This is up significantly from 1992, when 59 percent of all exporters employed less than 20 people.

MANUFACTURING FIRMS GENERATE OVER TWO-THIRDS OF U.S. MERCHANDISE EXPORTS



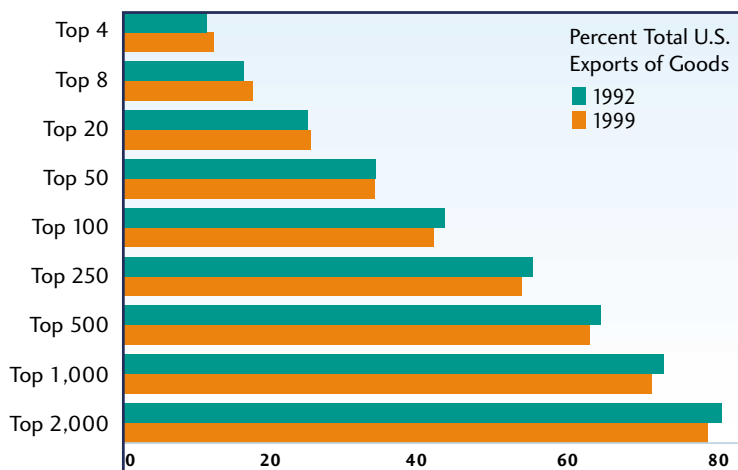
*Includes resource extraction firms and various service companies (transport services, communications, engineering and management services, etc.)

IN ALL INDUSTRIES, MOST EXPORTERS ARE SMALL AND MEDIUM-SIZED ENTERPRISES

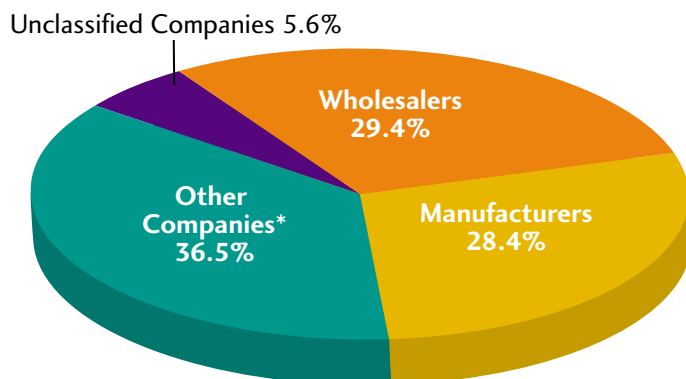


Source: 1998 Exporter Data Base, U.S. Department of Commerce.

U.S. EXPORTS OF GOODS REMAIN CONCENTRATED IN A SMALL NUMBER OF COMPANIES.



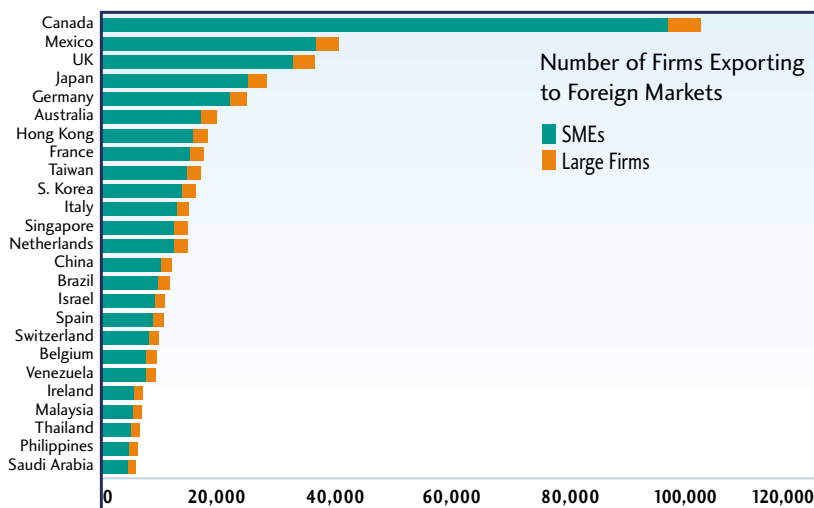
A MAJORITY OF U.S. EXPORTERS ARE NON-MANUFACTURING COMPANIES



*Includes resource extraction firms and various service companies (transport services, communications, engineering and management services, etc.)
Source: 1999 Exporter Data Base, U.S. Department of Commerce

Non-manufacturing companies dominate exporting by SMEs. In 1999, wholesalers and other non-manufacturing firms made up 72 percent of all SME exporters and generated 66 percent of total SME exports.

SMALL AND MEDIUM-SIZED EXPORTERS OUTNUMBER LARGE U.S. FIRMS IN KEY FOREIGN MARKETS

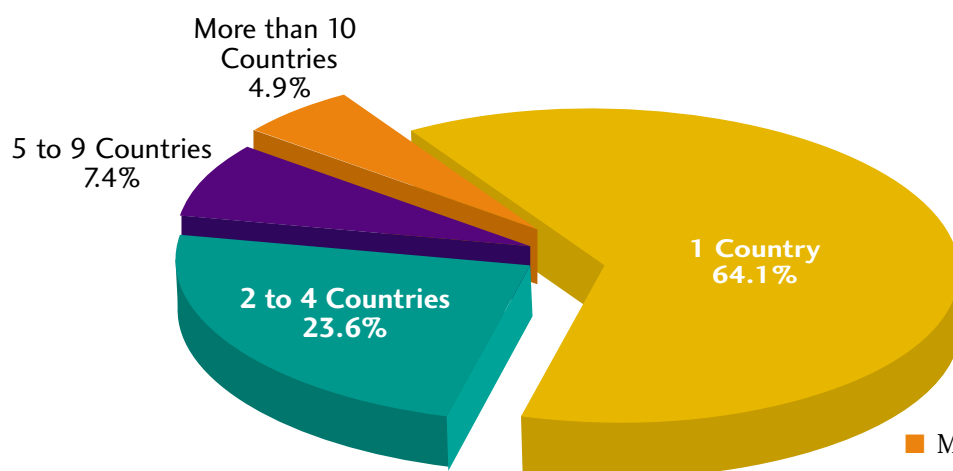


The two NAFTA markets – Canada and Mexico – accounted for 35 percent of total SME exports in 1999. Other top markets for SMEs were Japan, the UK, South Korea and Germany.

Canada is by far the most popular export destination for SMEs. In 1999, some 96,393 out of 223,681 SME companies registered sales to Canada.

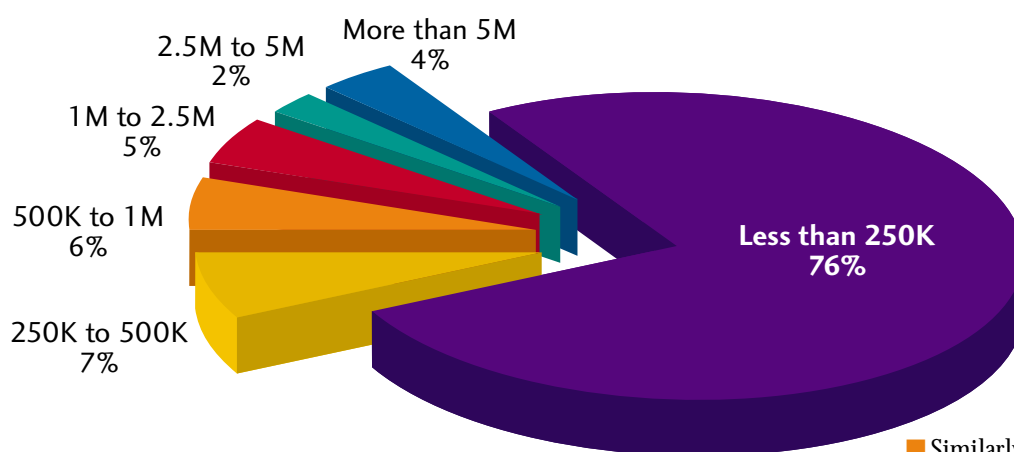
Emerging markets are among the fastest-growing markets for SMEs. From 1992 to 1999, SME exports to Brazil surged by 197 percent, while exports to Mexico increased 159 percent and sales to China rose 85 percent.

NEARLY TWO-THIRDS OF SMALL AND MEDIUM-SIZED EXPORTERS SOLD TO JUST ONE FOREIGN MARKET IN 1999



Many SMEs could sharply boost exports by entering new markets. In 1999, 64 percent of all SME exporters — nearly two-thirds — posted sales to only one foreign market.

NEARLY 90 PERCENT OF ALL EXPORTING FIRMS POSTED EXPORTS OF LESS THAN \$1 MILLION IN 1998



Similarly, nearly 90 percent of all exporting firms posted annual exports of less than \$1 million in 1998. The value and number of export transactions could be greatly increased with the help of trade liberalization agreements.